

AMENDED IN SENATE APRIL 6, 2010

SENATE BILL

No. 890

Introduced by Senator Alquist

January 21, 2010

An act to add Section 10112.56 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 890, as amended, Alquist. Health care ~~coverage~~: coverage: basic health care services.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for ~~licensing~~ the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law provides for ~~licensing and~~ the regulation of health insurers by the Department of Insurance. Existing law ~~creates various programs to provide health care services to persons of limited incomes, including the Medi-Cal program and the Healthy Families Program~~ requires health care service plan contracts and health insurance policies to provide coverage for certain benefits. Under existing law, health care service plan contracts are required, subject to certain exemptions, to provide basic health care services, as defined, among other benefits.

~~This bill would state the intent of the Legislature to implement federal health care reforms by enacting specified legislation in that regard.~~

This bill would require health insurance policies issued, amended, or renewed on or after January 1, 2011, to provide coverage for medically necessary basic health care services, as defined, and would prohibit those policies from imposing annual or lifetime limits on basic health care services.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 10112.56 is added to the Insurance Code,
2 to read:
3 10112.56. (a) For purposes of this section, “basic health care
4 services” has the same meaning as set forth in Section 1345 of the
5 Health and Safety Code and in Section 1300.67 of Title 28 of the
6 California Code of Regulations.
7 (b) A health insurance policy issued, amended, or renewed on
8 or after January 1, 2011, shall provide coverage for medically
9 necessary basic health care services.
10 (c) A health insurance policy issued, amended, or renewed on
11 or after January 1, 2011, shall have no annual or lifetime limits
12 on basic health care services.
13 (d) Nothing in this section shall prohibit a health insurer from
14 charging policyholders or insureds a copayment or a deductible
15 for a basic health care service or from setting forth, by contract,
16 limitations on maximum coverage of basic health care services,
17 provided that the copayments, deductibles, or limitations are
18 reported to, and held unobjectionable by, the commissioner and
19 set forth to the policyholder or insured pursuant to the disclosure
20 provisions of Section 10604.
21 (e) This section shall not apply to specialized health insurance
22 policies, Medicare supplement policies, CHAMPUS-supplement
23 insurance policies, TRICARE supplement insurance policies,
24 accident-only insurance policies, or insurance policies excluded
25 from the definition of “health insurance” under subdivision (b) of
26 Section 106.
27 ~~SECTION 1. (a) It is the intent of the Legislature to implement~~
28 ~~federal health care reform legislation.~~
29 ~~(b) In order to accomplish this goal, the Legislature proposes~~
30 ~~to take, at a minimum, all of the following steps by enacting~~
31 ~~legislation in that regard:~~
32 ~~(1) Enacting and enforcing health insurance market reforms,~~
33 ~~including, but not limited to, increasing the limiting age for~~
34 ~~dependent coverage, and addressing rescission, preexisting~~

1 ~~condition exclusions, rating rules, medical loss ratios, waiting~~
2 ~~periods, annual and lifetime limits, and guaranteed issue.~~
3 ~~(2) Expanding Medi-Cal coverage to medically indigent adults.~~
4 ~~(3) Modifying the provisions relating to the Major Risk Medical~~
5 ~~Insurance Program in order to make the state eligible for federal~~
6 ~~funding.~~

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